

## Pension Benefit Guaranty Corporation

## § 4002.3

*Sufficient for guaranteed benefits* means that there is no amount of unfunded guaranteed benefits, as defined in section 4001(a)(17) of ERISA.

*Termination date* means the date established pursuant to section 4048(a) of ERISA.

*Title IV benefit* means the guaranteed benefit plus any additional benefits to which plan assets are allocated pursuant to section 4044 of ERISA and part 4044 of this chapter.

*Voluntary employee contributions* means amounts contributed by an employee to a plan, pursuant to the provisions of the plan, that are not mandatory employee contributions.

[61 FR 34010, July 1, 1996, as amended at 61 FR 63989, Dec. 2, 1996; 62 FR 35342, July 1, 1997; 62 FR 60428, Nov. 7, 1997; 62 FR 67728, Dec. 30, 1997]

### § 4001.3 Trades or businesses under common control; controlled groups.

For purposes of title IV of ERISA:

(a)(1) The PBGC will determine that trades and businesses (whether or not incorporated) are under common control if they are "two or more trades or businesses under common control", as defined in regulations prescribed under section 414(c) of the Code.

(2) The PBGC will determine that all employees of trades or businesses (whether or not incorporated) which are under common control shall be treated as employed by a single employer, and all such trades and businesses shall be treated as a single employer.

(3) An individual who owns the entire interest in an unincorporated trade or business is treated as his own employer, and a partnership is treated as the employer of each partner who is an employee within the meaning of section 401(c)(1) of the Code.

(b) In the case of a single-employer plan:

(1) In connection with any person, a controlled group consists of that person and all other persons under common control with such person.

(2) Persons are under common control if they are members of a "controlled group of corporations", as defined in regulations prescribed under section 414(b) of the Code, or if they are "two or more trades or businesses

under common control", as defined in regulations prescribed under section 414(c) of the Code.

## PART 4002—BYLAWS OF THE PENSION BENEFIT GUARANTY CORPORATION

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AUTHORITY: 29 U.S.C. 1302(f).

SOURCE: 61 FR 34011, July 1, 1996, unless otherwise noted.

### § 4002.1 Name.

The name of the Corporation is the Pension Benefit Guaranty Corporation.

### § 4002.2 Offices.

The principal office of the Corporation shall be in the Metropolitan area of the City of Washington, District of Columbia. The Corporation may have additional offices at such other places as the Board of Directors may deem necessary or desirable to the conduct of its business.

### § 4002.3 Board of Directors.

(a) The Board of Directors shall establish the policies of the Corporation and shall perform the other functions assigned to the Board of Directors in title IV of the Employee Retirement Income Security Act of 1974. The Board of Directors of the Corporation shall be composed of the Secretary of Labor, the Secretary of the Treasury, and the Secretary of Commerce. Members of the Board shall serve without compensation, but shall be reimbursed by the Corporation for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Board. A person at the time of a meeting of the Board of Directors who is serving as Secretary of Labor, Secretary of the Treasury or Secretary of Commerce in an acting capacity, shall serve as a member of

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the Board of Directors with the same authority and effect as the designated Secretary.

(b) The following powers are expressly reserved to the Board of Directors and shall not be delegated:

(1) Approval of all final substantive regulations prior to publication in the FEDERAL REGISTER, except for amendments to the regulations on Allocation of Assets in Single-employer Plans and Duties of Plan Sponsor Following Mass Withdrawal (parts 4044 and 4281 of this chapter) establishing new interest rates and factors, which may be approved by the Executive Director of the PBGC.

(2) Approval of all reports or recommendations to the Congress that are required by statute;

(3) Establishment from time to time of the Corporation's budget and debt ceiling up to the statutory limit;

(4) Determination from time to time of limits on advances to the revolving funds administered by the Corporation pursuant to section 4005(a) of ERISA;

(5) Final decision on any policy matter that would materially affect the rights of a substantial number of employers or covered participants and beneficiaries.

(c) Final non-substantive regulations and all proposed regulations shall be approved by the Executive Director prior to publication in the FEDERAL REGISTER; provided that all proposed substantive regulations shall first be circulated for review to the Board of Directors or their designees, and may thereafter be issued by the Executive Director after responding to any comments made within 21 days after circulation of the proposed regulation, or, if no comments are received, after expiration of the 21-day period.

#### **§ 4002.4 Chairman.**

The Secretary of Labor shall be the Chairman of the Board of Directors and he shall be the administrator of the Corporation with responsibility for its management, including overall supervision of the Corporation's personnel, organization, and budget practices, and shall exercise such incidental powers as may be necessary to carry out his administrative responsibilities. The

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Chairman may delegate his administrative responsibilities.

#### **§ 4002.5 Quorum.**

A majority of the Directors shall constitute a quorum for the transaction of business. Any act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board, except as may otherwise be provided in these by-laws.

#### **§ 4002.6 Meetings.**

Regular meetings of the Board of Directors shall be held at such times as the Chairman shall select. Special meetings of the Board of Directors shall be called by the Chairman on the request of any other Director. Reasonable notice of any meetings shall be given to each Director. The General Counsel of the Corporation shall serve as Secretary to the Board of Directors and keep its minutes. As soon as practicable after each meeting, a draft of the minutes of such meeting shall be distributed to each member of the Board for correction or approval.

#### **§ 4002.7 Place of meetings; use of conference call communications equipment.**

Meetings of the Board of Directors shall be held at the principal office of the Corporation unless otherwise determined by the Board of Directors or the Chairman. Any Director may participate in a meeting of the Board of Directors through the use of conference call telephone or similar communications equipment, by means of which all persons participating in the meeting can simultaneously speak to and hear each other. Any Director so participating in a meeting shall be deemed present for all purposes. Actions taken by the Board of Directors at meetings conducted through the use of such equipment, including the votes of each member, shall be recorded in the usual manner in the minutes of the meetings of the Board of Directors. A resolution of the Board of Directors signed by each of its three members shall have the same force and effect as if agreed at a duly called meeting and shall be recorded in the minutes of the Board of Directors.

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### § 4002.8 Alternate voting procedure.

(a) A Director shall be deemed to have participated in a meeting of the Board of Directors for all purposes if,

(1) That Director was represented at that meeting by an individual who was designated to act on his behalf, and

(2) That Director ratified in writing the actions taken by his designee at that meeting within a reasonable period of time after such meeting.

(b) For purposes of this section, a Director, including an individual serving as Acting Secretary, shall designate a representative at a level not below that of Assistant Secretary within his Department. Such designation shall be in writing and shall be effective until withdrawn or until a date specified therein.

(c) For purposes of this section, a Director's approval of the minutes of a meeting of the Board of Directors shall constitute ratification of the actions of his designee at such meeting.

### § 4002.9 Amendments.

These bylaws may be amended or new bylaws adopted by unanimous vote of the Board.

## PART 4003—RULES FOR ADMINISTRATIVE REVIEW OF AGENCY DECISIONS

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AUTHORITY: 29 U.S.C. 1302(b)(3).

SOURCE: 61 FR 34012, July 1, 1996, unless otherwise noted.

### Subpart A—General Provisions

#### § 4003.1 Purpose and scope.

(a) *Purpose.* This part sets forth the rules governing the issuance of all initial determinations by the PBGC on cases pending before it involving the matters set forth in paragraph (b) of this section and the procedures for requesting and obtaining administrative review by the PBGC of those determinations. Subpart A contains general provisions. Subpart B sets forth rules governing the issuance of all initial determinations of the PBGC on matters covered by this part. Subpart C establishes procedures governing the reconsideration by the PBGC of initial determinations relating to the matters set forth in paragraphs (b)(1) through (b)(4). Subpart D establishes procedures governing administrative appeals from initial determinations relating to the matters set forth in paragraphs (b)(5) through (b)(10).

(b) *Scope.* This part applies to the following determinations made by the PBGC in cases pending before it and to the review of those determinations:

(1) Determinations that a plan is covered under section 4021 of ERISA;

(2) Determinations with respect to premiums, interest and late payment